Government of the
Northwest Territories
Strategic Plan

2006 Progress Report

Volume I
Overall Summary

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MESSAGE FROM THE PREMIER

In June 2004, the Government of the Northwest Territories (GNWT) released its Strategic Plan entitled Self-reliant People, Communities and Northwest Territories – A Shared Responsibility. This Plan was based on a vision for the Northwest Territories (NWT) established by the 15th Legislative Assembly, and it sets the broad direction for government over a 10-year planning horizon.

Since the introduction of the Strategic Plan, much has been accomplished. The purpose of this volume of the 2006 Progress Report is to provide you with information on our progress to date on the priorities and action items identified in the Strategic Plan. This report also is intended to take stock of where we are in advancing our goals and achieving our vision. As one partner in the process (along with other governments, organizations, families, individuals and communities), it is important that we review our progress, and look for ways to refocus our priorities and strengthen our efforts in those areas where it is most needed. It takes all partners to work together and to each do their part to improve the living conditions for all residents.

The 2006 Progress Report demonstrates many areas of success in meeting the challenges before us and areas where further work is needed. Some of the notable successes include the improving education levels, the declines in youth and adult smoking rates, the increases in family incomes, the booming economy and strong employment growth, increases in the tourism sector, the good financial health of the GNWT, the continued progress in land, resource and self-government arrangements, the increasing investments in community infrastructure and the progress towards moving areas through the Protected Area Strategy. Further work is needed on reducing violence in the NWT, reducing addictions, strengthening Aboriginal languages, completing fair and equitable arrangements with the federal and other governments, and ensuring the on-going health of NWT wildlife populations and the protection of the environment.

On behalf of the Government of the Northwest Territories, I would like to extend my appreciation and give thanks to those who are partnering with us to make the NWT a prosperous and enviable place to live and raise our families. The work, support and cooperation of northern leaders, members of the northern business community, labour, the volunteer sector, non-profit organizations, and many others are critical if we are to advance our common interests. I would also like to pay tribute to the dedication of my colleagues, the Members of the Legislative Assembly, who remain committed to a vision of the Northwest Territories that meets the aspirations of all our residents. Similarly, I must acknowledge the hard work of the GNWT public service, whose effort has contributed in large part to the progress we have made.

It is my pleasure to present the Strategic Plan 2006 Progress Report and I look forward to our continued work to build a strong, vibrant and self-reliant Northwest Territories.

Premier Joseph Handley

INTRODUCTION

When the 15th Legislative Assembly took office in December 2003, Members made a commitment to find new ways of doing business. They agreed to work together to make consensus government more effective and responsive to the needs of NWT residents. They also agreed to work in partnership with other governments in the NWT to build an agenda that has a broad base of support across the territory.

The 15th Legislative Assembly adopted a vision and set of goals that focus on self-reliance and shared responsibility, and conveys a sense of optimism and confidence about the future of the NWT.

Vision

Self-reliant individuals and families sharing the rewards and responsibilities of healthy communities and a prosperous and unified Northwest Territories.

Goals

1. *A strong northern voice and identity.*
2. *Healthy, educated people living in safe communities, who are able to contribute and take advantage of life's opportunities.*
3. *Well-governed, sustainable communities and regions able to fulfill their potential.*
4. *A diversified economy that provides Northerners with opportunities and choices.*
5. *Care and protection of the natural environment.*

Incorporating these vision and goals, the Government of the Northwest Territories (GNWT) developed the strategic plan, *Self-reliant People, Communities and Northwest Territories – A Shared Responsibility*. The goals in the Strategic Plan reflect the shared responsibility of individuals, families, communities, Aboriginal governments, the federal government and the GNWT and were developed with a ten-year planning timeframe in mind. The Strategic Plan also set the broad direction for this government by identifying specific priorities and actions in support of the goals of the Legislative Assembly.

Specifically, the Strategic Plan has four priority areas that were identified as being of key importance during the life of this government:

1. Helping people help themselves – our personal, family and community responsibilities;
2. Negotiating fair deals with Canada and Aboriginal governments;
3. Focusing on our economy and infrastructure; and,
4. Environmental stewardship.

These priorities, along with a series of concrete, identifiable actions have guided the activities of this government. The Strategic Plan is linked to the government's business planning as it sets the broad direction for the development of business plans by GNWT departments. These planning documents identify the work and priorities of the government over a three-year timeframe, and are used in the creation of the government's budget and main estimates that are tabled and debated in the Legislative Assembly at the start of each year.

Identifying a vision with goals, priorities and actions is important to provide overall direction and focus for government planning and to establish longer-term goals. However, it is equally important to occasionally report on the activities of the government in advancing the priorities of the Legislative Assembly and to report on progress within the NWT towards the longer-term goals identified in the Strategic Plan. The annual progress report provides this accountability.

The first part of the *Strategic Plan 2006 Progress Report – Volume I Overall Summary,* provides a summary of the key activities and achievements of this government that support the four priorities for this Assembly that were identified in the Strategic Plan. While this cannot include all of the GNWT's collective efforts around each of the priority areas, the report highlights the major accomplishments.

The second part of this report provides information on progress towards the goals of the Strategic Plan. As has been noted, achieving the Strategic Plan goals will require the efforts of individuals, families, communities and governments at all levels. While some actions can take years to yield results, the overall measures that have been developed for each goal provide a means to evaluate – in a tangible way – progress towards achieving the goals.

The development of these measures is, in itself, an important milestone as it enhances the ability of government and other stakeholders to analyze and understand trends in territorial socio-economic conditions. This work helps to inform decisions and provides information for the development of programs that can be targeted to address specific needs.

The summary of progress on the Strategic Plan is based, in part, on activities of the GNWT on the more than seventy action items included in the original Strategic Plan. The progress measures related to the Strategic Plan goals are based on a series of indicators that help demonstrate the trends. Detailed information on the activities related to each of the action items in the Strategic Plan and information on the indicators to determine overall trends are provided in the *Strategic Plan 2006 Progress Report – Volume II: Detailed Overview of Action Items and NWT-Wide Measures.*

SUMMARY OF PROGRESS ON STRATEGIC PLAN PRIORITIES

As noted, the Strategic Plan identified four priority areas for this government. This section provides a summary of actions that have been undertaken by the GNWT to advance these priorities.

Priority 1: Helping people help themselves – our personal, family and community responsibilities

What it means...

Helping residents of the NWT to make healthy lifestyle choices, tc realize their full potential and to lead fulfilling and productive lives is the foundation of the government's Strategic Plan. Priority #1 includes the following areas:

- Educating ourselves – improving education levels for children and adults;
- Meeting our housing needs – addressing housing shortages and homelessness;
- Living healthy lifestyles – breaking addictions and making productive and healthy choices; and,
- Supporting greater community autonomy – negotiating a new deal with community governments.

Highlights of Accomplishments

The GNWT has undertaken a number of initiatives to support this priority. The following are highlights of these initiatives.

Educating Ourselves

To support the priority of improving education levels the GNWT has focused activity on schools and on adult education and training initiatives. The GNWT has continued work on developing additional pathways through senior secondary school, including developing and implementing an additional pathway in mathematics. Pilots of Experiential Science and English Language Arts commenced in the 2006-07 school year. These additional pathways will support students in completing their high school diploma and developing skills for post-secondary schooling or the labour market.

The GNWT has also focused on better system monitoring in recent years. Standardized testing using Alberta Achievement Tests for Grade 3, 6, and 9 provides important feedback on progress within the education system. The development of functional grade level for all students provides a clearer picture of student progress.

The GNWT also continues to fund a range of projects related to literacy and numeracy in school jurisdictions across the NWT. The GNWT has implemented several programs such as the Schools North Apprenticeship Program, Skills Canada-NWT, and Ready to Work North that aim to provide students with exposure to different occupations and to prepare them for the workforce. Under the Northern Youth Strategy Program, the GNWT is piloting the Youth Trades and Occupation Awareness Program in 2006-2007.

Student Success Centres have been established at the three campuses of Aurora College. Student Success Centres offer tutoring, career counseling, tutor training, writing centres, math support, and a variety of workshops (study skills, computer skills, transitioning to college, self-esteem and wellness). The GNWT has also provided over $3.3 million in funding to the Aurora College Adult Literacy and Basic Education (ALBE) program in each of 2004-05 and 2005-06. The program offers literacy and numeracy

instruction at three campuses and twenty-three community learning centres throughout the NWT. The ALBE Communities Fund from the NWT Literacy Strategy provided an additional $700,000 in 2004-05 and $700,000 in 2005-06 to ensure that all thirty-three NWT communities had literacy and numeracy programming.

Through the Aboriginal Skills and Employment Partnership, training programs are in place to prepare Northerners to meet the requirements of industry. This partnership of the territorial, federal and Aboriginal governments and industry is intended to result in up to $52.9 million being invested in training of territorial residents to take advantage of employment opportunities in the non-renewable resource sector.

The GNWT has also invested heavily in education infrastructure, with more than $160 million being spent or committed for building new schools, undertaking major renovation projects and constructing new college housing. These investments are being made in communities across the territory including Inuvik, Tulita, Fort Good Hope, Colville Lake, Hay River, Fort Smith, Gameti, N'dilo, and Yellowknife.

Meeting Housing Needs

To better meet housing needs, the GNWT is refocusing through the mandate process of the Northwest Territories Housing Corporation to place greater emphasis on delivery, repair and services to help people and communities. In support of this renewed focus, the GNWT is investing $100 million as part of the Affordable Housing Initiative with the support of the federal government. This will see up to 530 new dwellings constructed in the NWT over the next few years. This undertaking is proceeding, recognizing the value of coordination amongst other government departments and agencies for the successful implementation of housing in communities. To improve program delivery, a consolidation of housing programs is planned that is based upon an objective of simplification of programs, improvement of service and the provision of greater flexibility to meet the needs of NWT residents.

The GNWT continues to work with community governments to identify vacant lands within community boundaries that are suitable for residential, commercial and industrial development, using its Land Development Needs Assessment as a guide. The government is also working to transfer Commissioner's Land to community governments when they are willing and able to accept responsibility for this activity. Lands were also transferred to Yellowknife and Hay River to meet community needs.

The GNWT is proposing improvements to land ownership practices in communities in settled land claim areas by changing from a leasehold approach to complete land ownership (fee simple title). Fee simple title provides developers with certainty of land tenure, increases financing flexibility, and improves land management practices for community and public governments.

The Mackenzie Gas Project (MGP) provides a one-time opportunity that can provide long-term housing benefits to NWT residents. The GNWT continues to explore an innovative concept that transforms temporary workforce housing from the construction phase of the MGP to affordable, quality, permanent residential homes. This project proposes a unique four-party partnership comprised of the GNWT, Government of Canada, industry, and communities.

Living Healthy Lifestyles

Over the past three years the GNWT has administered $11 million in programs that support healthy infants and children such as the Brighter Futures program, the Canada Prenatal Nutrition Program, and Fetal Alcohol Spectrum Disorder (FASD) related initiatives. The GNWT also continues to implement the Healthy Choices Framework in order to enhance health promotion activity and capacity through ongoing cross-sectoral collaboration within the government, non-government organizations (NGOs), and other partnerships. The GNWT Healthy Choices Framework and Action Plan include six key health and wellness areas of emphasis including: tobacco harm reduction and cessation; injury prevention; high-risk sexual behaviours; active living; healthy eating; and mental health and addictions. Seventy-seven positions were added to address addictions including mental health workers, community wellness workers and clinical supervisors.

The GNWT is developing a master plan to address longer term health system needs and has provided $1.2 million to upgrade long-term care facilities to better meet the needs of dementia patients and $1 million to YK seniors to design a dementia facility. The GNWT has made investments to expand health services available to territorial residents including adding Aboriginal Health Liaison workers and public health workers and expanding dialysis services and cancer treatment programs at Stanton Territorial Hospital. A number of initiatives were undertaken under wait times funding including expanding the use of nurse practitioners in the Emergency Department, revising operating room schedules, exploring options to general anesthesia, and developing a detailed analysis of wait-time drivers.

Under the Healthy Children Initiative, the GNWT has provided some $6 million over the past three years to community organizations as a comprehensive approach to the design and delivery of programs and services for children from birth to six years of age and their families. The GNWT continues to support language nests, providing 18 during the past three years, which enhance early language development and prepare children for educational opportunities. The GNWT is partnering with the NWT Literacy Council to deliver the Northern Parenting and Literacy Program and has provided over $750,000 during the past three years for this project. While the federal government cancelled negotiations for the Early Learning and Child Care Agreement, the GNWT was provided with a trust fund of $862,000 for 2006-07 which will be used to provide training for child care workers and operators; capital support for licensed non-profit operators; and language nest supports.

In January 2004, the GNWT released *Honouring the Spirit of our Children: A Framework for School Counseling Programs in the Northwest Territories*. This framework is used to address school needs related to mental health and addictions and provides information resources to school counseling staff; ongoing training in Effective Behaviour Support to school staff across the NWT to ensure that school-wide planning processes in this area are in place; ongoing training in *Dealing with Child Abuse: A Handbook for School Personnel* at the request of the regions; and ongoing information and resources on specific social issues at the request of the regions.

Finally, the Skills for Healthy Relationships component of the health curriculum in grades 7-9 is being actively promoted and the GNWT 's Northern Youth Strategy is piloting new programs to help youth make productive choices and contribute to their communities.

Supporting Greater Community Autonomy

The New Deal for NWT Community Governments is a major initiative of the government, which included a full review of all policy and legislative instruments that provide the framework for community governments to ensure maximum support and local autonomy. The majority of these have now been reviewed and legislation, regulations and policies are being changed as required.

The main components of the New Deal for Community Governments include transferring full authority for community public infrastructure to community governments, providing capital funding to communities on a formula basis and increasing capital funding from a historical level of $17 million annually to $28 million, and making most communities property taxation authorities.

New municipal legislation, implemented in 2004, expands borrowing powers for community governments, which should help communities leverage additional funds for priorities. As part of the New Deal for NWT Community Governments, the Property Tax Revenue Grant Program was established as an interim step in providing community governments with property tax revenues prior to becoming taxation authorities as of January 2008. Community governments were given the opportunity to recommend different mill rates for 2006 property taxes.

Work is also well underway on formula funding approaches for community public infrastructure so that communities can plan, design, control and implement local infrastructure. Formula funding will provide predictable and stable revenue streams. Recently GNWT staff initiated a second round of community consultations to review the formulas to be used to allocate capital and water/sewer funding. A policy for the new funding formulas is being developed and is scheduled to be implemented on April 1, 2007.

The GNWT has also strived to build capacity at the local government level through training and certification programs for community government staff. Training packages are offered in the areas of community governance, management, administration, finances, water and waste systems, airports, fire protection, emergency measures, bylaw enforcement, land administration and works management. The GNWT delivered courses to 897 community government participants representing all 33 NWT communities during the past fiscal year.

Another initiative that will help communities in the NWT is the *Federal Gas Tax Agreement* that will provide them $37.5 million over five years. The GNWT negotiated flexibility in eligibility criteria and is working with communities to develop investment plans and community sustainability plans.

The GNWT also developed and implemented a $35 million, one-time Community Capacity Building Fund, with funding provided via the Northern Strategy, to encourage local governments to work together to advance their respective capacity building priorities and to pursue projects that will benefit their community as a whole.

Other Initiatives

There have been a number of other initiatives that the GNWT has undertaken that support the Strategic Plan priority of helping people help themselves and advance the related goals described in the Strategic Plan.

The *Protection Against Family Violence Act* came into force on April 1, 2005. Since its implementation, the *Protection Against Family Violence Act* has had the highest per capita use of any jurisdiction in Canada. The GNWT has conducted a six-month review of the legislation to examine its use and to improve its implementation with a report released in March 2006.

The GNWT has also been implementing its Response to the NWT Action Plan on Family Violence (2003-2008), which included 72 separate action items. The Government has renewed its commitment to this work by extending the partnership with NGOs and the federal government to develop and implement a second phase of an Action Plan on Family Violence to cover the 2006/07 to 2010/11 period. The GNWT is also providing $100,000 to shelters in 2006/07 to cover childcare expenses in two shelters and for continuing education of front-line staff for all shelters.

The Legal Services Board opened a new Legal Aid Clinic focusing on family law. Two additional staff lawyers have been added to the clinic to improve access to legal aid for family matters. The GNWT has also continued to partner with the federal Department of Justice to improve family justice services available through initiatives like alternative dispute resolution services, supports for children and parents, Parents Forever workshops that teach parenting skills after separation and divorce, and increasing the family law public legal information using a targeted campaign. The GNWT Department of Justice piloted family law mediation services in Yellowknife and Hay River through a contracted lawyer. The pilot project is being evaluated and the model of mediation services reconsidered in order to provide services territory wide.

The GNWT continues to work with communities and the RCMP to enhance support for local justice activities through funding, education and collaboration. A total of 28 positions have been added to policing services during the past three years. The government has continued to work on improving policing in smaller communities without a RCMP detachment, improving local crime prevention initiatives, and expanding direct victim services.

The Government has taken a number of steps to examine income security programs to ensure consistency. The GNWT provided over $130 million in direct support to territorial households in 2005/06 and is committed to ensuring these programs are delivered in an effective and consistent manner.

On April 1, 2005, the Public Housing Subsidy Program was transferred from the NWT Housing Corporation (NWTHC) to the Department of Education, Culture, and Employment (ECE). Initially, this subsidy was distributed to Local Housing Organizations (LHOs) of the NWTHC on behalf of ECE. Following this transition year, ECE fully took over responsibility for administering the Public Housing Rental Subsidy Program on April 1, 2006. Extensive work was done with local housing officers and public housing clients in advance of the transfer to ensure as smooth a transition as possible. Standard program principles, policies and criteria were also developed to improve consistency,

transparency and access for NWT residents and substantial training was provided to income security staff and staff of the LHOs on the administration of the Public Housing Rental Subsidy Program. A Steering Committee comprised of representatives from ECE and NWTHC is in place to coordinate supports for social housing.

The GNWT also embarked on a more general review of income security programs in the fall of 2005. An Income Security Framework was developed that has led to a significant amount of further research and consultations with territorial residents. This information is now being consolidated and will lead to proposals for policy and legislative changes to ensure consistency across programs.

The NWT Disability Framework and Action Plan for Persons with Disabilities were released. The framework and action plan identify priority areas for the development of programs and services for persons with disabilities. The GNWT has dedicated $100,000 annually to address items within the Action Plan. The NWT Disability Steering Committee Partnership will determine how best to allocate the funding with proposed projects including operating newly opened satellite offices for the NWT Council for Persons with Disabilities in Hay River and Inuvik. Also through the NWT Literacy Strategy, the GNWT has established a $100,000 Learning Support for Persons with Disabilities Fund to assist NWT adults with disabilities in achieving their learning goals.

Priority 2: Negotiating fair deals with Canada and Aboriginal governments

What it means...

The NWT aspires to finalize a unique system of governance – one that respects the rights of all citizens of the NWT, and achieves the aspirations of Aboriginal peoples through the implementation of self-government agreements. Priority #2 includes the following areas:

- Benefiting from the development of northern resources – concluding fair devolution and resource revenue sharing agreements with Canada;
- Conducting unfinished business – settling outstanding land, resources and self-government agreements; and,
- Negotiating, through the devolution process, authority for northern governments over the regulatory regime – establishing consistent standards and practices.

Highlights of Accomplishments

Advancing the GNWT's priorities with Canada and Aboriginal governments often involves multi-party efforts and can take some time to yield results. The following outlines some of the accomplishments under this priority.

Concluding Fair Agreements with Canada

Devolution and resource revenue sharing continued to be a top priority of the territorial government. Although substantial progress has been made, negotiations need to continue among the GNWT, the Aboriginal Summit and Canada on the devolution of the

management of resources to the NWT, including a fair deal on a net fiscal benefit from resource revenue sharing, before an agreement in principle is reached. Negotiations to resolve outstanding issues have been delayed because the federal government requested a postponement until the federal Expert Panel could report on the treatment of non-renewable resource revenues in Equalization and Territorial Formula Financing (TFF). The Expert Panel report has now been released and it is hoped that negotiations on devolution and resource revenue sharing arrangements can resume.

In 2004 the federal government decided to review both the Equalization and TFF programs and created an Expert Panel to provide recommendations on new arrangements. The Council of the Federation (COF) tasked a similar panel with examining fiscal imbalance. While these panels were undertaking their work, short-term arrangements provided an additional $60 million to the GNWT over the last three fiscal years. The GNWT actively advanced its interests related to TFF with both the Expert Panel and the Advisory Panel established by COF. The NWT, Yukon and Nunavut presented a joint submission to the Expert Panel.

The two panels released their respective recommendations in early 2006. Both Panels support the positions taken by the territories with respect to TFF. Provincial and territorial Premiers have recently endorsed an approach where territorial governments will work with the federal government on finalizing changes to the formula funding arrangements separate from discussions on Equalization. Continued work will be required with the federal government on the formula financing arrangements and with all provincial and territorial governments on the national fiscal imbalance issue in the coming year.

In order to maintain appropriate fiscal management, the GNWT has implemented a *Fiscal Responsibility Policy* that requires the government to generate the necessary operating surpluses to finance a portion of capital investment, ensures the government borrows within affordable limits, and defines performance measurement criteria for government borrowing. The GNWT has obtained a favourable credit rating, which has recently been reconfirmed. The GNWT has also presented a proposal to Canada to have the current $300 million borrowing limit amended to one that better reflects its ability to finance debt.

Through prudent fiscal management, the GNWT was able to meet the most immediate fiscal challenges while providing for an operating surplus of $31 million for 2006-07. At the end of 2006-07 the GNWT will have to repay $290 million in Corporate Income Tax to reflect an overpayment received in 2002. Total debt is projected to be $233 million at the end of 2006-07, $77 million below the federally imposed borrowing limit.

Settling Outstanding Land, Resource, and Self-Government Agreements

The GNWT continues to be engaged in land, resource, and self-government negotiations at several tables. The GNWT has been working with the federal government and both the Gwich'in Tribal Council and Inuvialuit Regional Council on separate process and schedule agreements following the decision to pursue self-government agreements separately. A framework agreement to guide self-government negotiations has been concluded with the Dene and Métis of Tulita and is nearing completion with the Norman Wells Land Corporation. A final self-government agreement is nearing completion with the Dene and Métis of Deline.

Negotiations on an Agreement In Principle (AIP) respecting land, resource and governance continue with the Dehcho, while the K'atlodeechee First Nation has formally requested to negotiate a combined Treaty Land Entitlement and agricultural benefits agreement. An Interim Land Withdrawal Protocol has been finalized with the Akaitcho, which will guide how lands are withdrawn from use while a land, resource and self-government AIP is negotiated. In 2005/06, the parties to negotiations with the Northwest Territory Métis Nation made significant progress on finalizing points of understanding on significant issues, which will be used to draft AIP chapters.

In 2005, the GNWT developed and finalized the *Tłı̨chǫ Community Services Agency Act*. This Act was brought into force on effective date of the *Tłı̨chǫ Agreement* and was required for the agreement to come into effect. In 2006, the GNWT finalized guidelines for awarding of government contracts in Tłı̨chǫ communities and on Tłı̨chǫ settlement lands. Further work related to the implementation of the *Tłı̨chǫ Agreement* includes: developing policy objectives and process respecting the economic measures chapter; developing an Intergovernmental Relations Protocol governing relations between the GNWT and the Tłı̨chǫ Government; and, working with the Tłı̨chǫ Community Governments to put in place land administration agreements.

The GNWT continues to work closely with the Inuvialuit, Gwich'in, Sahtu, Tłı̨chǫ and Canada to ensure that all obligations and activities stemming from finalized land, resource and self-government agreements are being implemented by the appropriate parties on a timely basis. The GNWT also actively supports pre-implementation and implementation activities in order to assist with capacity development related to Aboriginal rights agreements.

To ensure consistency in the approach to relations with self-governments in the NWT, the GNWT has produced an initial draft of broad Core Principles and Objectives (CPOs) that will ensure a degree of comparability for standards in the areas of child and family services, adoption, trusteeship, guardianship, social housing and early childhood education. In addition, efforts have been made to develop a comprehensive self-government financing approach and resolution with Canada on bilateral (GNWT-Canada) self-government financing issues. Consultation is also taking place with Aboriginal governments on developing a more effective means to engage them in intergovernmental discussions. To this end, the GNWT has established an Intergovernmental Initiatives Fund to provide existing and emerging Aboriginal governments with increased capacity to engage in government-to-government relations. The GNWT has also drafted an Intergovernmental Relations Policy that will help guide its intergovernmental relations activities.

Other Inter-Governmental Activities

The GNWT has taken an active role and advanced NWT interests at various intergovernmental meetings, including leading national initiatives like the development of a National Transportation Strategy and leading an initiative of Western Premiers on Western Canadian Aboriginal Training.

As part of the Western Canadian Aboriginal Training initiative, the NWT hosted an inter-jurisdictional meeting in December 2005 and coordinated the input of the seven western

and northern provinces and territories on their respective consultations with Aboriginal Leaders. The NWT prepared a summary report on these consultations and best practices in Aboriginal training that was tabled at the Western Premiers Conference in May 2006. Further work done in this area by Advanced Education/Learning/Labour Market Ministers will form the basis for additional discussions at a summit on economic opportunities for Aboriginal peoples to be hosted by Saskatchewan in January 2007.

The previous federal government initiated work on a Northern Strategy. This strategy was to outline a broad vision for the future of Canada's North. The GNWT represented NWT interests in the development of the draft Northern Strategy. The NWT, Yukon and Nunavut governments jointly released a pan-territorial paper on Sovereignty and Security in the North. Follow-up work included presentations to experts in the field as well as inclusion of the territorial perspective in the draft Northern Strategy.

As noted, the GNWT was a co-lead on the development of a National Transportation Strategy that includes northern issues related to protecting sovereignty and connecting Canada coast to coast to coast. The National Transportation Strategy was publicly released at the November 2005 meting of provincial and territorial Premiers in Kelowna.

The Circle of Northern Leaders was established at the start of the Assembly and has proven to be a very effective way for northern leaders to come together to exchange ideas, discuss common areas of interest, and agree on a plan of action. The Circle of Northern Leaders has met three times since its creation, in Hay River in 2004, Inuvik in 2005, and in Norman Wells in 2006. Partnerships in training were the primary topic of the most recent Circle of Northern Leaders meeting.

Priority 3: Focusing on our economy and infrastructure

What it means...

In order to make the NWT truly vibrant and prosperous, we must reduce our economic dependence on the federal government while diversifying our economy and reducing the high cost of northern living. Priority #3 includes the following areas:

- Diversifying our economy – supporting small businesses, traditional economies, agriculture development and fisheries, and expanding our tourism sector;
- Enhancing accessibility to markets – improving transportation and community infrastructure;
- Reducing the cost of living in the north – finding ways to lower transportation, utility, communications, and land costs; and,
- Maximizing northern benefits from the proposed pipeline – ensuring Northerners have the skills to take advantage of the economic opportunities associated with the construction of the Mackenzie Valley pipeline.

Highlights of Accomplishments

As noted above, the priority of focusing on our economy and infrastructure has a number of dimensions. The NWT has experienced substantial economic growth in recent years,

largely due to the diamond industry, and has enormous potential for further economic expansion through additional non-renewable resource development including the proposed Mackenzie Gas Project. The GNWT has an important role in managing the development of the economy by providing support to ensure that the territorial economy is diversified, by improving infrastructure, by reducing the cost of living, and by taking steps to maximize benefits of developments like the Mackenzie Gas Project.

An important step in fulfilling this priority undertaken by the GNWT was the creation of the Department of Industry, Tourism and Investment (ITI). This department has provided focus in advancing this priority and completing important aspects of the action items in the Strategic Plan related to the economy of the Northwest Territories.

Diversifying Our Economy

Many of the specific initiatives that the GNWT has undertaken to support diversification of the economy are described in *Equitable Access – Economic Diversification*, which is a comprehensive economic review and action plan addressing all major sectors of the NWT economy. The report contains action plans for thirteen economic sectors and includes many of the strategies and initiatives outlined below.

A NWT tourism plan, *Tourism 2010*, has been developed and is guiding GNWT support for the tourism industry. The plan identifies five key areas in which the GNWT proposes to invest significant funds. This tourism funding is intended to leverage additional investment from the private sector and public partners, and is expected to result in increased total spending in the tourism sector. The GNWT also undertook several initiatives focused on strengthening the tourism industry including developing regional tourism plans, implementing the Parks marketing strategy, investing in infrastructure including new RV sites, implementing an on-line reservation system and electronic permitting for campground sites, and developing interpretive and cultural programs that enrich the visitor experience. The GNWT participated in EXPO 2005 in Japan providing further exposure to an important component of the tourism market.

The GNWT opted not to continue its participation in the development of a National Diamond Strategy, and instead is promoting the NWT diamond industry through the Rare in Nature marketing campaign. This campaign is intended to position the NWT as a diamond centre, and to increase demand and add value to diamonds that are mined, cut and polished in the NWT. The GNWT has also worked to facilitate a steady and reliable supply of rough diamonds for local manufacture, assists in the marketing of NWT diamonds through direct marketing initiatives and the certification of branded diamonds, and monitors factories to support these initiatives.

Support for the traditional economy is currently being reviewed by the GNWT and there have been two rounds of consultation with community and regional leadership that will lead to the development of a new Support to the Traditional Economy Policy during 2006/07. In the interim, implementation of the NWT Fur Strategy, through the Genuine Mackenzie Valley Fur Program, has produced a substantial increase in benefits to trappers across the NWT with many of these benefits being re-invested into other traditional economy activities. The *NWT Agriculture Policy Framework Agreement* fosters development in food safety and quality, advances in science and technology, and increases in diversification and investment. The GNWT continues to support the

domestic fishing industry by conducting market assessment and business feasibility studies funded through the regional Industry Support Program. Funding was provided to offset some of the business's operating costs.

The GNWT released the NWT Arts Strategy, A Holistic Approach to a Vibrant Arts Sector, in November 2004. The strategy addresses the effectiveness of current programs supporting the arts, and identifies an action plan to provide for emerging needs. The GNWT has supported the Arts sector by implementing this strategy and, more specifically, by creating and maintaining services and programming such as an on-line database of NWT artists and website support for arts events, development of a branding program for NWT art, development of an arts marketing strategy, and providing workshops that support artists in website development, e-commerce support, and the development of promotional materials.

With regard to retail, wholesale, construction and transportation business development, a number of action plan items have been completed and progress includes the on-going evaluation of the Business Development Fund Policy and support for annual trade shows and conferences such as Prospects North and Meet the North.

In addition to these sector specific activities, the GNWT has undertaken a number of overarching activities that support economic development in the NWT. The *Business Development and Investment Corporation Act* came into force on April 1, 2005, and amalgamated the business services of the NWT Development Corporation, the NWT Business Credit Corporation, and the services of the Canada/NWT Business Service Centre. This also established the legislative framework for the Business Development Investment Corporation (BDIC) to become the administrator of other GNWT business programs. The BDIC and ITI are completing an extensive review and evaluation of business programs and a report on this work is planned during 2006/2007.

To further support northern business, the GNWT lowered the Corporate Income Tax rate for large corporations from 14 percent to 11.5 percent effective July 1, 2006. The GNWT consulted with industry, business associations and the public on a proposed alternative to the Business Incentive Program (BIP), which involved lowering the small business corporate tax rate by from 4 percent to 2 percent. Based on feedback attained through these consultations, the GNWT has decided to maintain the current BIP.

To help guide the GNWT in budgetary and policy choices in support of its overall economic policy objectives of sustainable development, the government has begun development of a macroeconomic policy framework. Development of the framework will involve research and consultation, with completion of a preliminary framework targeted for early 2007.

The GNWT is working with the Department of Indian Affairs and Northern Development (DIAND) to resolve management and delivery issues related to the Strategic Investment in Northern Economic Development program (SINED). This fund provides for $30 million over five years and has supported projects such as tourism training and infrastructure enhancement, arts branding and marketing, business training, geosciences, and business research activities. Through SINED, the NWT received $2 million for geoscience and $500,000 for economic development initiatives for 2006.

Improving Transportation and Community Infrastructure

Over a period of six fiscal years beginning in 2003/04, the GNWT, with funding from the federal Canadian Strategic Infrastructure Fund (CSIF), will direct a total of $130 million to highway improvements. This funding has helped the GNWT to widen, straighten and improve driving surfaces on various highways for better highway safety and to lower operating costs for industry and the motoring public. In summer 2006, Highway 3 between Behchoko to Yellowknife was completed. Projects on Highway 1, 4, 7 and 8 and further work on Mackenzie Valley Winter Road bridges and grade improvements, including design and tendering of the Bear River Bridge, are being completed in the next couple of years.

The GNWT also worked with local contractors/industry to develop a new contracting and funding approach to operating the Mackenzie Valley Winter Road for the 2005/06 season. This approach improved the safety and standard of the winter road despite a warmer than normal winter.

The Yellowknife Airport Passenger Terminal Building expansion was completed in summer 2006. The expansion ensures that the facility can accommodate enhanced security measures mandated by the Canadian Air Transport Security Authority (CATSA), which came into effect in January 2006 and expected traffic growth for the next 10 years. Re-surfacing of the runway, taxiways and apron at the Norman Wells Airport was completed in 2006 which will allow the airport to handle the increase in air travel expected from the Mackenzie Gas Project. Transport Canada's Airport Capital Assistance Program provided $6.9 million in funding for this project.

As noted earlier, the GNWT has increased its commitment to funding infrastructure projects by communities from historical levels of $17 million annually to $28 million as part of the New Deal for NWT Community Governments.

Reducing Cost of Living

Reducing the cost of living in the Northwest Territories is a challenge given the realties of distance and climate. That said there are a number of activities being undertaken by the government that support the objective.

Clearly, the main activity that reduces cost of living is the variety of direct support programs from the GNWT to households. These programs all reduce the cost of living for territorial residents and range from public housing and homeownership support, to the territorial power subsidy and water and sewage service subsidies, to income assistance, student financial assistance, and the cost of living tax credit, to supplementary health benefits and day care user subsidies. These programs that reduce cost of living in the NWT totalled more than $130 million in 2005/06.

In addition to subsidies and direct support, there are a number of other programs and initiatives that the GNWT is undertaking to reduce the cost of living. The GNWT has worked with Indian and Northern Affairs Canada (INAC) and other partners to expand the winter road season to Wekweeti. A longer winter road season will increase re-supply and employment opportunities for residents and despite a very difficult construction season, the Wekweeti winter road was open for four weeks in 2005/06. The GNWT has also completed an economic analysis of the benefits and costs of both realigning the

Tłı̨chǫ winter road to an overland route and converting this seasonal route to all weather standard. This study will be used to support a proposal to INAC for funding to complete detailed engineering and environmental studies of this route. These, and the other investments in the transportation infrastructure noted above, all provide the potential to reduce the cost of living in the NWT.

There are also a wide variety of energy-related initiatives that have the potential to contain and reduce the growing cost of energy in the NWT. The GNWT is currently developing a NWT Energy Plan that will ensure a coordinated approach to these initiatives and include an appropriate legislative and policy environment to encourage reduced energy costs for communities, and a refined and formalized approach to development of NWT energy resources. The GNWT's Energy Conservation Action Plan has funded a number of projects to promote energy conservation by households and to reduce consumption within the GNWT.

In the medium and longer-term, utilization of NWT hydroelectric resources and the possibility of heating with NWT natural gas will be examined as approaches to reduce utility costs.

Maximizing Benefits from the Proposed Mackenzie Gas Project

The proposed Mackenzie Gas Project (MGP) offers substantial opportunities for the Northwest Territories, its residents and business community. The basin-opening potential of this development could result in significant economic growth for decades. At the same time, development in the NWT must be done in a way that respects its unique environment.

The GNWT has taken an active role in the regulatory review of the MGP through its participation in the National Energy Board Review and Joint Review Panel hearings. Socio-Economic Agreement negotiations with the Proponent have been well advanced. These activities provide the opportunity for the GNWT to, in part, ensure actions are being undertaken that will help maximize benefits from the development.

The Mackenzie Gas Project Impact Fund (MGPIF), while focusing on mitigating impacts of the proposed project, could also be used to support initiatives that will help maximize benefits of the development. While the MGPIF is being provided to regional aboriginal organizations by the federal government, the GNWT will play an important role in helping to define priorities and in making sure projects supported by the fund align with GNWT programs to maximize effectiveness and avoid duplication.

The GNWT has undertaken other initiatives to help maximize benefits from the proposed pipeline project and other resource development projects. For example, the government has partnered with the federal government, Aboriginal organizations, and industry to support the Mine Training Society and the Aboriginal Futures program. These programs will invest up to $52.9 million to help territorial residents to prepare for opportunities in resource development industries. The GNWT is also providing financial assistance to the Aboriginal Pipeline Group, which would own one-third of the proposed Mackenzie Valley Gas Pipeline, to support their participation in this project. The GNWT established the Mackenzie Valley Pipeline Office to coordinate policy development, interdepartmental

planning and external and internal communication of the GNWT's activities associated with the MGP.

Priority 4: Environmental stewardship

What it means...

The Northwest Territories is a vast and beautiful place, largely untouched by urban development. It is a pristine natural environment that should be managed and protected for generations to come. Priority #4 includes the following areas:

- Protecting our air, water, forest, and land – facilitating responsible development of non-renewable and renewable resources;
- Building an efficient and effective energy sector – providing clean and affordable energy to northern consumers and encouraging conservation; and,
- Remediating contaminated sites throughout the NWT – encouraging the federal government to rehabilitate abandoned contaminated sites on federal land in a timely manner and to acceptable environmental standards.

Highlights of Accomplishments

The creation of the Department of Environment and Natural Resources (ENR) was an important step in fulfilling this priority. This department has provided focus in advancing this priority and completing important aspect of the action items in the Strategic Plan related to the environment in the NWT. Highlights of other activities associated with the priority area are provided below.

Protecting our Air, Water, Forest and Land

Environmental stewardship has been central in the GNWT's approach to all resource development projects including the MGP. The GNWT recognizes that resource development projects are important to the long-term social and economic future of the NWT, but wants these projects to be developed in a way that minimizes environmental disturbances and protects the NWT's unique natural environment. As part of the MGP review process, the GNWT developed a general submission on the MGP that contained some 75 recommendations to the Joint Review Panel aimed at protecting the environment and ensuring the project was completed in a way that maximized benefits and minimized any negative impacts. These recommendations are being advanced through the Joint Review Panel hearings.

In order to advance progress on the new *Species at Risk Act*, a collaborative drafting process was established and a joint working group, involving the GNWT and Aboriginal members was formed. The GNWT has now completed initial consultations respecting the legislation and introduction of the legislation is expected in spring 2007, with implementation in fall 2007. Following completion of this legislation, it is expected that a draft Wildlife Act will be released to public during the winter of 2007.

As part of the Protected Area Strategy (PAS), the PAS Steering Committee was established. It has recommended an approach to coordinating actions by the GNWT, Indian and Northern Affairs Canada and environmental non-government organizations related to the PAS and staffing is being undertaken. Many areas are being advanced for protection under the PAS and draft maps of critical wildlife areas are being developed for review. By fall 2007 assessments of candidate areas will be completed.

An updated inventory of greenhouse gas emissions in the NWT was released in April 2005 and a review of the NWT Greenhouse Gas Strategy is being initiated with key government and non-government stakeholders in order to confirm GNWT strategic direction and priority work areas as they relate to climate change. In March 2005, a workshop of key northern climate change partners was hosted to review actions implemented under the NWT Greenhouse Gas Strategy. A renewed Greenhouse Gas Strategy and implementation plan is to be released in the fall of 2006.

Negotiations towards a *Federal-Territorial Memorandum of Understanding on Climate Change* were stopped at the request of Canada in November 2005 because of the pending Federal election. The GNWT is awaiting the Federal Government's notification of resumption of negotiations.

The GNWT is undertaking a number of initiatives with the federal government to develop better environmental monitoring information including identifying tools to monitor and manage cumulative effects in the Beaufort Delta, collaborating to establish permanent monitoring plots for collecting baseline ecological data and monitoring change over time across forest landscapes in the NWT, and updating the NWT Land Cover Classification to provide better information for assessing development. The GNWT has also established Regional Environmental Protection Officer positions in all regions.

The GNWT is working with industry and communities to monitor and mitigate impacts of resource development projects. The GNWT has a member on the Environmental Monitoring Advisory Board created to monitor the Diavik Diamond Project and the GNWT supports participation of community representatives on the Diavik Communities Advisory Board. The *DeBeers Snap Lake Diamond Project Environmental Agreement* also provides for the establishment of a Multi-party Environmental Monitoring Agency. A Steering Committee was established in July 2004 to advance this initiative and the GNWT has been participating with communities, industry and the federal government in this process.

The GNWT has developed a Community FireSmart Program to assist communities to develop fire prevention and intervention plans that mitigate the risk of loss from wild fires. A landscape level FireSmart plan is being developed for the community of Fort Smith and it is expected that a final draft will be discussed with the community in late 2006. Other initiatives have been advanced by the GNWT to protect and conserve the NWT's forest resources including introducing new technology to assist in the detection of forest fires in remote locations and using large-scale satellite imagery to provide information on fuel types in interface areas around communities.

New Beverage Container Regulations were brought into force on November 1, 2005 under the *Waste Reduction and Recovery Act*. There are currently privately owned depots operating in twenty-six communities, serving 98% of the NWT population. ENR contracts the operation of "satellite depots" in those remaining communities without a

licensed local depot operator to provide all residents with the opportunity to return their beverage containers. Over 14 million containers were recovered through the Program during the first seven months (November 2005 to June 2006) of the Program's operation.

Building an Efficient and Effective Energy Sector

The GNWT released a discussion paper entitled Energy for the Future in June 2006. This paper highlights key issues that need to be addressed in a comprehensive NWT Energy Plan and will be used as the basis for consultations over the summer of 2006. A draft NWT Energy Plan is expected to be released in fall 2006.

In the medium-term, the GNWT continues to work with partners to advance a project to expand the Taltson Hydro-electric dam, which is nearing the Environmental Assessment phase.

Through the Aurora Research Institute, feasibility studies on wind potential and wind monitoring are underway in the communities of Paulatuk, Sachs Harbour, Inuvik, and Ulukhaktok. The Northwest Territories Power Corporation (NTPC) is also conducting wind monitoring in Yellowknife. The GNWT is also completing a Community Gasification Study, which examines the possibilities of supplying natural gas to communities along the Mackenzie Valley.

The GNWT continues to encourage the conservation of resources by territorial residents, business and communities. The key partnership with the Arctic Energy Alliance has been strengthened to deliver public education, energy conservation and community energy planning programs throughout the NWT. The GNWT's Energy Conservation Action Plan supported specific activities and initiatives including increasing funding and capacity for the EnerGuide for Houses Program; providing cash incentives for homeowners and businesses for boiler and furnace maintenance; delivering home winterization workshops in twelve communities; providing energy conservation training to income support workers; updating training in energy efficiency for building maintainers; expanding training in energy efficiency for Local Housing Organizations; producing and distributing public education material on tips to reduce energy costs; and offering incentives for businesses to improve energy efficiency.

Work has started with several communities on the development of community energy plans. A community energy conference is planned for late 2006 to further support the development of energy plans.

The GNWT has also encouraged conservation and the use of cost-effective innovation and clean energy sources in government. Some of the activities included completing thermal scans of 175 public buildings with plans to do another 200 buildings in the next two years; implementing retrofit programs for public buildings; implementing the Commercial Building Incentives Program (CBIP) which is designed to reduce energy consumption of buildings over a certain size; improving tracking of energy costs within the GNWT; developing vehicle fleet energy efficiency guidelines; testing suitability of energy efficient vehicles for GNWT use; and piloting the use of a wood pellet boiler at the North Slave Correctional Centre as a clean, energy efficient alternative to fuel.

Remediating Contaminated Sites

One of the main elements of the priority of environmental stewardship is the need to work with the federal government to remediate contaminated sites throughout the NWT and rehabilitate contaminated sites to acceptable environmental standards.

In March 2005, the GNWT signed a Cooperation Agreement with Canada to provide for the remediation of the Giant Mine site. The GNWT contribution is $23.75 million over 10 years, while the federal government contribution is between $275-300 million over the same period. All other costs to complete this $300 million plus project are the sole responsibility of the federal government. To date, a draft *Closure and Reclamation Plan* for the Giant Mine site has been finalized by the GNWT and INAC, their technical consultants and an independent panel of experts. The draft plan will be submitted to the Mackenzie Valley Land and Water Board in the fall of 2006 for approval. The GNWT will work collaboratively with INAC to implement the Closure and Reclamation Plan once regulatory approval is obtained.

The GNWT is also working with the federal government to initiate development of a long-term management plan for the radioactive soil and other debris located along the historic Northern Transportation Route.

The GNWT has completed a number of environmental remediation projects to address soil contamination resulting from provision of fuel supply services to communities. In 2005/06, major hydro remediation was completed at the Sachs Harbour beach, and at the tundra side of the Paulatuk airport. As well, the GNWT in partnership with NTPC, completed an environmental investigation of the contamination at the fuel storage facility and power plant sites in Lutsel k'e.

SUMMARY OF NWT-WIDE MEASURES

The goals of the Strategic Plan reflect the shared responsibility of individuals, families, communities and all levels of governments. While the GNWT plays an important role in delivering programs and services that support the well-being of territorial residents, there is little dispute that all sectors play an important role in achieving progress on the goals of the Strategic Plan.

With that in mind, this section of the progress report summarizes recent results for the NWT-wide measures. The measures were chosen to help identify progress towards the goals of the Strategic Plan and do not focus solely on specific GNWT responsibilities but rather provide an overview of territorial trends.

Measuring progress is an important part of the planning process. While specific actions by government may take years to yield results, monitoring trends in measures associated with each goal of the Strategic Plan can help identify areas where progress is being made and areas where further actions may be needed.

The approach that is used to measure progress on the goals of the Strategic Plan is to identify a series of measures and associated indicators that help demonstrate trends.

Ideally, the indicators would provide information for the NWT over a longer period of time, which could then be used to identify recent progress. While that is possible for some measures, data limitations such as consistency in measurement approach, small sample sizes, and data gaps caused with division of the NWT does not always allow for the desired longer-term analysis.

Below is a summary of progress on the goals of the Strategic plan. This trend analysis is based on detailed indicator data that is provided in the companion document to this overall summary, *Strategic Plan 2006 Progress Report – Volume II Detailed Overview of Action Items and NWT-Wide Measures*. The trend analysis for the measures generally considered changes in indicators over the past three to five years.

Goal 1: A strong northern voice and identity.

1.01 Negotiation & Implementation of Land Claim & Self-Government Agreements Progress ⇧ Progress has been made in the implementation of the *Tlicho Agreement* and the near completion of the Deline self-government agreement.	1.02 Negotiation & Implementation of Devolution Progress ⇔ While recent events are encouraging, little progress has been made on concluding devolution and resource revenue sharing agreements.
1.03 Aboriginal Language Use Progress ⇩ The percentage of Aboriginal persons speaking an aboriginal language has been declining over the past 20 years.	1.04 GNWT Financial Health for Operations Progress ⇧ There has been a return to surpluses after three straight years of operating deficits.
1.05 Long-Term GNWT Financial Health Progress ⇧ Debt servicing costs remain low for the GNWT and are declining as a percentage of revenues.	1.06 Net Federal Investment in NWT Progress ⇩ Recent years have seen significant increases in federal revenue from the NWT, while federal expenditures have not kept pace

The goal of a strong northern voice and identity means northern governments will be working together and outstanding land claims and self-government negotiations will be successfully completed. This goal also suggests that northern governments will have adequate resources to support operations and make needed investments and that the NWT is a full partner in confederation. It also means that NWT indigenous cultures and languages should be the source of strength for present and future generations.

Overall there has been progress on this goal in recent years, although there are mixed results for some measures for this goal. Some progress has been achieved in the area of negotiation and implementation of land claim and self-government agreements with the most notable progress in the finalizing and implementing the *Tłı̨chǫ Agreement*. In recent years indicators of financial health of the GNWT have also improved with the return to operating surpluses after three years of deficits and the continued decline in debt servicing costs as a percentage of revenues.

A negative trend exists in net federal investment in the NWT. The ratio of federal revenues to expenditures shows that federal revenues from the NWT have been increasing more rapidly than expenditures. With royalties and increases tax collection federal revenues have increased from $391 million in 1999 to $589 million in 2003. The NWT ranks 8th among provinces and territories with a similar federal revenue to expenditure ratio as New Brunswick and Nova Scotia in 2003.

Information on knowledge of aboriginal languages shows declines in the percentage of aboriginal persons in the NWT that are able to speak an aboriginal language.

Goal 2: Healthy, educated people living in safe communities, who are able to contribute and take advantage of life's opportunities.

2.01 Healthy Babies Progress ⇩ There has been a downward trend in the percentage of babies born at a healthy weight.	2.02 Children's Health Progress ⇧ While overall health of youth has remained relatively consistent in the NWT, injuries to children have declined and immunization rates are strong.
2.03 Student Performance Progress NA Alberta achievement tests have only started to be administered across the NWT. Trend data is not yet available.	2.04 Youth Crime Progress ⇩ The rate of youth charged in a crime has increased in the NWT in recent years.
2.05 Physically Active Youth Progress ⇔ The percentage of youth that are physically active has remained relatively steady.	2.06 Youth Health Behaviour Progress ⇔ Youth smoking rates have declined significantly since the mid-1990s, but heavy alcohol use and STIs have increased.
2.07 Education Levels Progress ⇧ High school graduation rates have been on the increase since the mid-1990's.	2.08 Crime Rates Progress ⇩ Overall, the violent crime rate has increased substantially in the NWT since 2002.
2.09 Smoking Rates Progress ⇧ Overall smoking rates for persons age 15 and older have declined in recent years in the NWT.	2.10 Alcohol and Other Addictions Progress ⇔ Although somewhat volatile, recent surveys indicate rates of heavy drinking are similar to the mid-1990s.
2.11 Healthy Lifestyles Progress ⇔ The overall percentage of the population who are inactive has remained relatively stable in the NWT.	2.12 Premature Death Rate Progress ⇔ The premature death rate has been relatively stable in the NWT.
2.13 Family Income Progress ⇧ Family incomes have on the rise since 2000 with more than 50% of territorial families earning more than $75,000 annually.	2.14 Chronic Health Conditions Progress ⇩ Although the incidence of invasive cancer has remained relatively stable, the prevalence of diabetes is increasing.
2.15 Senior's Health Progress ⇔ The percentage of Seniors with a chronic condition has remained relatively stable in recent years.	2.16 Housing Progress ⇧ Crowding conditions and rates of home ownership are improving, while indicators of housing quality have remained relatively stable.

The goal of healthy, educated people living in safe communities, who are able to contribute and take advantage of life's opportunities means that babies and children are born healthy, get the care and nurturing they need, and that residents see wellness as the preferred alternative and make healthy and productive choices.

Overall the NWT has achieved mixed results in recent years for measures associated with this goal. Self-assessed health among youth in the NWT is similar to Canadian rates, while injury rates among youth and immunization show positive trends. Progress

has also been made in improved education levels with graduation rates steadily increasing. Overall smoking rates are on the decline and family income has been on the rise in the NWT with more than 50% of territorial families having income of more than $75,000 in 2003. Housing conditions in the NWT are also improving.

Several measures have remained relatively stable in recent years. Levels of physical activity among youth and in the general population have remained steady and are similar to Canadian averages. While youth smoking rates have declined, heavy use of alcohol and rates of sexually transmitted infections (STIs) have been on the rise. Indicators of heavy alcohol use in the NWT, although somewhat volatile, are similar to levels in the mid-1990s. The death rate for those less than 50 years of age has been quite volatile in recent years and while injury-related deaths have been on the decline, the suicide rate has been somewhat higher in the NWT in recent years. Indicators for seniors' health have also remained relatively stable in recent years.

Measures related to healthy babies, youth and adult crime, and chronic health conditions have indicated declining conditions in recent years. The percentage of territorial babies born at a healthy weight has been declining since the early 1990's. Rates of youth charged in a crime have increased slightly over the past decade in the NWT, while violent crime rates overall in the NWT have increased significantly over the past four years. For chronic conditions in the NWT although the incidence of invasive cancer has remained relatively stable, the prevalence of diabetes is increasing.

Goal 3: Well-governed, sustainable communities and regions able to fulfill their potential.

3.01 Municipal Finance Progress ⇔ The number of communities in a deficit or with a fairly small surplus has remained relatively stable since 2000.	3.02 Municipal Infrastructure Progress ⇧ GNWT contributions to municipal infrastructure have increased substantially.
3.03 Local Government Employment Progress NA A measure on local government employment has yet to be developed.	3.04 Local Government Training Progress ⇧ Enrolment in courses offered by the School of Community Government has risen significantly since 1999/00.
3.05 Municipal Participation Progress ⇔ The total number of candidates and the percent acclaimed have remained relatively stable in recent years.	3.06 Volunteerism Progress NA Trend data on volunteerism in the NWT is not available.

The goal of well-governed, sustainable communities and regions able to fulfill their potential means that community and regional goals are met through cooperation, communities have the capacity they need, and that governments have clear, accountable and efficient structures.

Measures for this goal need additional development, but those that are available indicate that there has been a substantial increase in GNWT contributions for municipal infrastructure over the past several years as part of the *New Deal for Community Governments*. There has also been improvement in training activities for local government employees with an increase from under 100 students receiving training

through the School of Community Government in 1999/00 to about 1,000 during each of the last three fiscal years. Although overall relatively stable, indicators of municipal participation are good with higher than average numbers of candidates and lower percentage of positions acclaimed during the past two years.

Indicators of municipal finance shows that the number of communities with a fairly small surplus being stable in the past several years. While the number of communities with a deficit was higher than normal in 2005, this value has also been generally stable.

Goal 4: A diversified economy that provides Northerners with opportunities and choices.

4.01 Overall Economic Performance Progress ⇧ The territorial economy has grown by 71% from 1999 to 2005.	4.02 Overall Employment Progress ⇧ Territorial employment growth has outpaced Canada in three of the last four years.
4.03 Employment Diversification Progress ⇔ The overall percentage of territorial residents working in the private sector has remained steady over the past five years.	4.04 Employment Income Progress ⇧ There has been strong growth in employment income in the NWT since 2000.
4.05 Non-Renewable Resource Production Progress ⇧ The opening of Ekati in 1998 and Diavik in 2003 has led to large increases in non-renewable resource production in the NWT.	4.06 Non-Renewable Resource Exploration Progress ⇧ Although mineral exploration is somewhat more volatile, expenditures in oil and gas exploration have increased substantially since 1999.
4.07 Forestry Production Progress ⇔ The total volume and value of wood harvested has remained relatively stable in recent years.	4.08 Fish and Fur Production Progress ⇔ Fur production has shown strong growth in recent years, while the value of the commercial fishery has been in decline.
4.09 Retail and Wholesale Trade Growth Progress ⇧ Due to a strong linkage to large-scale construction activity, wholesale trade is volatile. However, there has been steady growth in the retail trade sector.	4.10 Growth in the Tourism Sector Progress ⇧ There has been steady growth in the estimated number of visitors to the NWT since the 2001/02 fiscal year.
4.11 Transportation Sector Progress ⇔ While a strong industry, GDP related to the transportation sector has remained relatively stable in the past five years.	4.12 Service Sector Growth Progress ⇔ There has been little change in service sector employment (excluding government services) in the NWT over the past five years.
4.13 Territorial Trade Progress ⇔ Since 2000, growth in final demand has been matched by growth in imports into the NWT economy.	

The goal of a diversified economy that provides Northerners with opportunities and choices means that there will be a balanced approach to development of all sectors; that northerners are the primary beneficiaries of development of resources; that renewable resource, small business and tourism are viable and sustainable; and that the traditional economy is capable of creating and maintaining a good living.

The strong NWT economy is generally reflected in the measures associated with this goal. As noted, the NWT economy has grown by 71% over the past six years compared to 19% for all of Canada. Employment levels and employment income have shown strong growth in the past five years, and with the developments in the diamond industry and high prices for oil and natural gas, both production and exploration activity in the non-renewable resource sector in the NWT has been strong in recent years.

Indicators for other economic sectors such as retail and wholesale trade and tourism indicators have suggested solid growth over the past few years. Growth in retail trade has been steady since 1999, while the wholesale trade industry is much more volatile showing particular strength during the construction phase of large development projects. The number of visitors to the NWT has risen steadily since the decline in 2001/02.

Other measures associated with this goal have remained fairly steady with little signs of progress. For example, employment diversification has shown that the percentage of residents employed by the private sector has remained relatively stable for the past four years. While the fur industry has seen strong increases in the value of pelts in recent years, the trend in the fishery has been for significant declines. Growth in the transportation sector in the NWT has been relatively small. Similarly, there has been very little growth in service sector jobs (excluding the public sector) in the NWT in the past five years. Finally, trade data shows that imports as a percentage of overall demand in the economy has risen as the economy has grown. This may reflect, in part, the types of goods and services required by the industries with the largest growth in recent years.

Goal 5: Care and protection of the natural environment.

5.01 Air Quality Measures Progress ⇔ While data availability makes trend analysis difficult, annual average information remains steady for fine particulates and sulphur dioxide.	5.02 Biodiversity Levels Progress ⇧ There are now twelve areas at various stages of the protected area strategy process, compared to nine the previous year.
5.03 Sustainable Forestry Measure Progress ⇔ This measure of forest management shows little change in the area of forests covered by inventory in recent years.	5.04 Healthy Wildlife Populations Progress ⇩ While it varies by species, populations of caribou are on the decline, while bison populations are stable or increasing.
5.05 Environmental Clean-Up Measures Progress ⇩ The overall number of spills reported has been higher in the past four years.	5.06 Energy Generation Progress ⇩ Increased industrial activity has led to an increased amount of energy being produced in the NWT.

The goal of care and protection of the natural environment means that there will be responsible, coordinated management of the environment; governments will act on their responsibilities to clean-up contaminated sites; and that there is the responsible consumption and conservation of resources by governments, industries and individuals.

Measures for this goal reflect the continuing challenges of environmental protection. While improvements are continuing in measuring air quality in the NWT, available information indicates a relatively stable pattern. The forestry measure reflects that relatively little progress has been made in recent years in completing forest inventories.

Some progress has been achieved, as there has been an increase in the number of areas advancing through various stages of the protected area strategy process.

Recent information indicates that while there is some variation by species, many caribou herds are showing declining populations. More positive trends are apparent for bison. The number of hydrocarbon spills has increased significantly since 2000. Electrical generation has been rising in recent years, although much of the rise can be attributed to new industrial development.

CONCLUSION AND NEXT STEPS

This progress report has highlighted the actions of the GNWT in advancing the priorities of the GNWT Strategic Plan developed at the start of the 15th Legislative Assembly. While much has been accomplished, the GNWT will continue to advance these priorities.

In order to continue efforts to help people help themselves and meet our personal, family and community responsibilities priority actions of the GNWT in the coming year will include continuing development of an overall income security model and stabilizing the public housing rental subsidy program. The Affordable Housing Initiative will continue to be implemented and the GNWT will continue to coordinate the development of Phase 2 of the Actions Against Family Violence Initiative. A successor model will need to be identified for the Aboriginal Skills and Employment Partnership program. Implementation of the New Deal for Communities will be continued.

To advance the priority of negotiating fair deals with Canada and Aboriginal governments, the upcoming year will see continued efforts by the GNWT to negotiate a new territorial financing formula and resolving borrowing limit issues. The GNWT will also do its part to complete an agreement in principle on devolution. The issue of resource revenue sharing will also be a priority and is linked with national issues associated with the fiscal imbalance. It is hoped that the Deline self-government agreement can be finalized in the coming year.

The GNWT will continue to focus on the economy and infrastructure with substantial activity expected related to the proposed Mackenzie Gas Project. The GNWT will continue to represent territorial interests in the regulatory processes review of this project including the Joint Review Panel and the panel of the National Energy Board. The GNWT will work with regional Aboriginal organizations and the federal government to ensure the effective implementation of the Mackenzie Gas Project Impact Fund (MGPIF). Infrastructure priorities, including the Deh Cho bridge project, will continue to be advanced. Economic diversification efforts such as the implementation of the *Tourism 2010* plan, including enhancing parks and regional attractions and focusing on improving park operations and the development of new Canol Park, will move forward.

The focus of the GNWT in the next year on the priority of environmental stewardship will include the development of an energy policy and continued implementation of the energy conservation program. The *Species at Risk Act* will continue to be developed during the next year and the GNWT will develop a strategy associated with barren ground caribou. Work will also continue on the Giant Mine remediation plan.